

**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 110
MINUTES OF MEETING OF BOARD OF DIRECTORS**

June 9, 2010

**THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 110**

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The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 110 (the "District") met in **regular session**, open to the public, at the designated meeting place of the Board in the District on **June 9, 2010 at 6:00 p.m.**, whereupon the roll was called of the duly constituted officers and members of the Board, to-wit:

James N. Williams	-	President
Jeannie Satterwhite	-	First Vice President
Jerry A. Strickland	-	Second Vice President
Texas H. Stevens	-	Secretary
Tom Dowdy	-	Treasurer/Investment Officer

All members of the Board were present, thus constituting a quorum.

Also attending the meeting were Kay Divin, the District's Water and Sewer Operations Manager; Jody Dellinger, Parks and Recreation Manager for the District; John Davis of Langford Engineering, Inc. ("Langford"), Engineers for the District; Mary Jarmon of Myrtle Cruz, Inc. ("Myrtle Cruz"), Bookkeeper for the District; Kenneth Byrd of Equi-Tax, Inc. ("Equi-Tax"), Tax Assessor/Collector for the District; Mike Ammel, Eric Thiry and Karl Skarboszewski of Environmental Development Partners ("EDP"), the District's Operator; Dean Hensley with Harris County Fire Marshal's Office; Bob Sordahl and Emmett Poindexter, Jr., residents of the District; David Vogt of Vogt Engineering; Phil Halbert with Champions Hydro-Lawn, Inc.; and Maria S. Parker and Joshua J. Kahn of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorneys for the District.

The meeting was called to order and the following business was conducted.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Mr. Byrd, who presented the Board with the Tax Assessor/Collector's Report, a copy of which is attached hereto and checks for payment from the District's Tax Account. Mr. Byrd noted that approximately 97.4% of the District's 2009 taxes have been collected as of May 31, 2010.

Upon motion duly made by Director Dowdy and seconded by Director Satterwhite, the Board unanimously voted to (i) approve the Tax Assessor/Collector's Report and (ii) authorize the payment of checks listed therein.

HEAR FROM PUBLIC

The Board recognized Mr. Hensley, who updated the Board on the Fire Marshal's use of an office at the District's maintenance building.

Mr. Halbert of Champions Hydro-Lawn next presented to and reviewed with the Board an update on the maintenance of various detention ponds in the District.

Mr. Vogt then discussed with the Board the request for service from DesignTech Homes ("DTH") to a tract of land located outside the boundaries of the District. Mr. Vogt reminded the Board that DTH would be solely responsible for providing utilities to service the tract. DTH would connect to the District's water system at the point of connection of the District's interconnect with Harris Co. WCID No. 99 ("WCID 99") and that DTH would have to bore a sanitary sewer line under IH-45 to connect to the District's sanitary sewer system. Mr. Vogt also noted that if service is provided to DTH through the existing water interconnect with WCID 99 then WCID 99 would request that the District take over the maintenance of such interconnect line.

Mr. Vogt next discussed amending the District's Emergency Interconnect Agreement with WCID 99 to include provisions for possible long term water service in the event that one of WCID 99's water wells permanently goes out of service prior to the time WCID 99 receives surface water from the North Harris County Regional Water Authority ("NHCRWA") in approximately 2020. The Board noted that WCID 99 would need to obtain a guaranteed amount of water from the NHCRWA in order for such an arrangement to be considered.

The Board noted that they would be amenable to (1) assuming the maintenance of the water interconnect line from WCID 99, subject to DTH agreeing to annex its property into the District and (2) working with representatives from WCID 99 on a proposed long term water supply contract.

Upon motion duly made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to authorize the District's Engineer and Attorney to work with DTH on annexation of their property into the District and the construction of the necessary utilities to serve such property at DTH's sole cost and expense.

PEACE OFFICER'S REPORT

There was no Peace Officer's Report.

OPERATOR'S REPORT

The Board next recognized Mr. Thiry, who presented to the Board the Operator's Report, a copy of which is attached hereto. Mr. Thiry reported as follows:

1. the District has a total connection count of 2,231;
2. the billed to pumped ratio for May was 88.9%;
3. conversion to chloramines system is scheduled for June 15, 2010;
4. of the 688 meters that were identified in the 2008 Meter Replacement Report, 442 meters have been replaced to date;
5. the work on the valves, as approved at the May meeting is pending, and valve repairs include 27 valve locates at \$200/each, 28 raise valve boxes at \$150/each and 7 minor valve repairs totaling \$1000;
6. a draft of the final Consumer Confidence Report ("CCR") was presented;
7. the Toxicity Reduction Evaluation ("TRE") is being performed by Bio-Aquatic;

Upon motion made by Director Satterwhite and seconded by Director Stevens, the Board unanimously voted to approve the Operator's Report and the CCR.

Termination of Water Service

Consideration was then given to the termination of water service to certain accounts for failure to pay their water bills. At this time, Mr. Ammel presented to the Board a list of proposed terminations. The Board noted that there were no persons present at the meeting to protest their utility bills and/or the termination of water service to their property.

Upon motion made by Director Satterwhite and seconded by Director Stevens, the Board voted unanimously to authorize termination of water service with the assistance of a peace officer, if necessary, to the accounts listed in the Termination Report, a copy of which is attached hereto.

ENGINEERING/DEVELOPMENT REPORT

The Board recognized Mr. Davis who presented the Engineering/Development Report.

Chloramines Conversion Project – Mr. Davis presented to and reviewed with the Board Pay Estimate No. 5 from JTR Construction for the District's Chloramines Conversion Project in the amount of \$14,220.00. The Board also discussed the timeline for conversion to chloramines.

Emergency Preparedness Plan – Mr. Davis stated that the District's Emergency Preparedness Plan has been approved by the Texas Commission on Environmental Quality ("TCEQ").

Sanitary Sewer Line Project along Holzwarth Road – Mr. Davis informed the Board that the plans for the sanitary sewer line project are complete and the money for such project has been received from Davis Development.

Upon a motion made by Director Strickland and seconded by Director Dowdy, the Board unanimously voted to (1) approve the Engineer's Report, (2) approve Pay Estimate No. 5 from JTR Construction for the District's Chloramines Conversion Project in the amount of \$14,220.00, and (3) authorize the District's Engineer to advertise for bids for the sanitary sewer line project along Holzwarth Road.

BOOKKEEPER'S REPORT/INVESTMENT REPORT

The Board next recognized Ms. Jarmon, who submitted to and reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto, and certain invoices for payment by the Board.

Upon motion made by Director Strickland and seconded by Director Satterwhite, the Board unanimously voted to approve (i) the Bookkeeper's Report, (ii) the checks presented for payment, and (iii) the Investment Report, as presented.

WATER AND SEWER OPERATIONS MANAGER'S REPORT

The Board recognized Ms. Divin, who presented the Water and Sewer Operations Manager's Report. Ms. Divin reported that (1) recycling is at 48% and (2) Furr's Buffet and Juan and Lefty's Mexican Cantina have each submitted an Application for Service.

Upon motion made by Director Satterwhite and seconded by Director Stevens, the Board unanimously voted to approve the Water and Sewer Operations Manager's Report.

PARKS AND RECREATION MANAGER'S REPORT

The Board recognized Mr. Dellinger, who presented the Parks and Recreation Manager's Report. Mr. Dellinger discussed an issue he is having with the Enchanted Oaks Homeowners Association and the use of the District's clubhouse. The Board noted that all seven (7) homeowners associations within the District must be treated the same and all must abide by the same rules.

The Board noted that no action is needed in connection with the Parks and Recreation Manager's Report.

ATTORNEY'S REPORT

The Board recognized Ms. Parker and Mr. Kahn, who presented the Attorney's Report.

Minutes of Meetings

The Board deferred action on approval of the minutes from the May 4, 2010 and May 12, 2010 meetings.

Annual Red Flag Report

Consideration was then given to the annual Red Flag Report and the annual review of the Identity Theft Prevention Program. At this time the Board, conducted a review of the Identity Theft Prevention Program.

Upon motion made by Director Stevens and seconded by Director Satterwhite, the Board voted unanimously to approve the Annual Red Flag Report and to approve the Resolution Regarding Annual Review of Identity Theft Prevention Program, copies of which are on file in the official records of the District.

Resolution Authorizing Implementation of Emergency Preparedness Plan

Consideration was given to a proposed Resolution Authorizing Implementation of Emergency Preparedness Plan.

Upon motion duly made by Director Strickland and seconded by Director Satterwhite, the Board voted unanimously to approve the Resolution Authorizing Implementation of Emergency Preparedness Plan thereby: (1) authorizing the implementation of the Emergency Plan as of the date hereof; (2) directing the Operator for the District to take any and all actions to implement the Emergency Plan; (3) directing the Engineer and the Attorney for the District to submit to the Harris County Judge, the Harris County Office of Emergency Management, the Public Utility Commission and the Office of Emergency Management of the Governor the Emergency Plan and the TCEQ's notification to the District that the Emergency Plan is approved; and (4) providing for the annual review of the Emergency Plan on or about May 1 of each year.

Resignation of Financial Advisor in Connection with Issuance of Refunding Bonds

Ms. Parker reminded the Board that prior to the issuance of the District's proposed refunding bonds, the District's Financial Advisor must resign in order for them to serve as the underwriter for such bonds.

Upon motion duly made by Director Strickland and seconded by Director Satterwhite, the Board voted unanimously to accept the resignation of RBC Capital Markets Corporation as the District's Financial Advisor in order to allow them to serve as underwriter for the District's proposed refunding bonds.

There being no further business to come before the Board, upon motion duly made and seconded, the meeting was adjourned.

APPROVED THIS July 14, 2010.

Jevadff Stevens
Secretary, Board of Directors